

STUDENT ID NO								

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2017/2018

BEN2074 - ENTREPRENEURSHIP

28 OCTOBER 2017 2.30 p.m. - 4.30 p.m. (2 Hours)

INSTRUCTIONS TO STUDENTS

- 1. This Question paper consists of FOUR (4) pages excluding the cover page.
- 2. This question paper consists of TWO (2) sections. Answer all questions.
- 3. Please write all your answers in the Answer Booklet provided.

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SECTION A (40 marks)

Texchem shuts down Tim Ho Wan restaurant operator in Malaysia

KUALA LUMPUR (July 3): Penang-based food and beverage firm Texchem Resources Bhd announced that Dim Sum Delight Sdn Bhd, the operator of two Michelin-star Tim Ho Wan restaurants in Malaysia, has ceased business operations due to challenging future prospects.

Texchem owns 51% in Dim Sum Delight, while the remaining 49% reportedly belongs to a Malaysian company owned by Angel Chong and Kelvin Khoo.

For the financial year ended Dec 31, 2016 (FY2016), Dim Sum Delight incurred a loss of RM895,642, and "is not expected to turn around in the near future", Texchem said in a Bursa Malaysia filing today.

"Given that the current retail market remains soft and competitive, the board of Dim Sum Delight is of the view that the prospects of Dim Sum Delight is very challenging and this situation is not expected to change anytime soon.

"Accordingly, the shareholders of Dim Sum Delight are of the opinion that Dim Sum Delight should cease its business operation to minimise losses," Texchem added.

Texchem, which also operates Sushi King and Goku Raku Ramen restaurants, said that at this time, it is unable to ascertain the extent of the closure costs associated with the cessation of its restaurant business.

"Texchem will provide updates on this matter in due course," it said, adding that its board of directors, having considered all aspects, is of the opinion that the cessation is Texchem's best interest.

There are two Tim Ho Wan restaurants in Malaysia: one in Mid Valley Megamall, and another at 1Utama Shopping Mall.

Separately, Texchem also said its 94.87%-owned subsidiary Ocean Pioneer Food Sdn Bhd has signed two pacts — a sales and purchase agreement, and a machinery purchase agreement — with SHT Marine Frozen Sdn Bhd to sell a piece of leasehold land and related equipment in Setiawan, Perak, for RM2.65 million.

Texchem said the sale will unlock the value of the assets, and is part of its strategy to strengthen its financial position.

Shares in Main Market-listed Texchem rose one cent or 0.71% to close at RM1.42 today, giving it a market capitalisation of RM176.22 million.

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Source: http://www.theedgemarkets.com/article/texchem-shuts-down-tim-ho-wan-restaurant-operator-malaysia

Answer the following questions.

a) Based on the case and your knowledge in business model canvas, develop a business model for Tim Ho Wan Restaurant in Malaysia. The template of the business model is given in the appendix. You may use your logical assumption in completing the business model canvas.

(20 Marks)

b) Do you think the decision to cease the operation of Tim Ho Wan Restaurant in Malaysia by Texchem is a wise decision? Justify your answer by stating at least **TWO (2)** reasons.

(10 Marks)

c) If you were to revive Tim Ho Wan Restaurant in Malaysia. Suggest at least **TWO**(2) ways to turn the restaurant into a profit-making business. You may refer to the business model or utilise your creativity to suggest the possible solutions.

(10 Marks)

(Total 40 Marks)

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SECTION B (60 marks)

QUESTION 1

Aishah plans to venture into comestic industry. She plans to start up a business selling Halal cosmetic products at a reasonable price to target the Muslimah market in Malaysia. Upon her research, she found that there are many other sellers targetting the same target market with similar products. These sellers are mainly selling through online social medias like Facebook and instagram or e-commerce platorms like Lazada and Lelong.my. Some of them do have a small physical store.

(a) Identify the industry type and characteristics of the cosmetic industry that Aishah intends to venture.

(5 Marks)

(b) Evaluate the industry structure of the industry based on the five forces model. Indentify if the threat to the industry profitability is low, medium or high for each of the five forces. Briefly justify your decision.

(15 Marks)

(Total 20 Marks)

QUESTION 2

You have recently joined a start-up firm, GoGo Enterprise. Your first task is to design an advertisement for GoGo Enterprise.

(a) Identify the six steps involved in creating an advertisement.

(12 Marks)

(b) Explain at least **TWO** (2) major weaknesses of using advertisement as a promotional tool.

(4 Marks)

(c) Describe ways to make advertisements more effective for a start-up firm.

(4 Marks)

(Total 20 Marks)

QUESTION 3

(a) Explain the **FOUR** (4) main financial objectives of entrepreneurial firms.

(8 Marks)

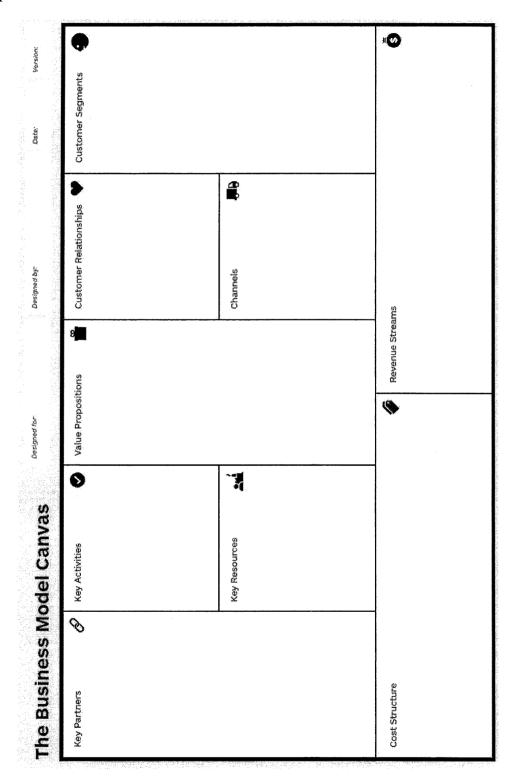
(b) Explain SIX (6) advantages of participating in strategic alliances and joint ventures.

(12 Marks

(Total 20 Marks)

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Appendix – Business Model Canvas



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